



Department of Defense INSTRUCTION

NUMBER 1241.2

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ASD(RA)

SUBJECT: Reserve Component Incapacitation System Management

- References: (a) [DoD Directive 1241.1](#), "Reserve Component Incapacitation Benefits," December 3, 1992
- (b) Title 10, United States Code
 - (c) Title 37, United States Code
 - (d) DoD 7000.14-R, Volume 7A, "DoD Financial Management Regulation, Military Pay Policy and Procedures—Active Duty and Reserve Pay," January 2000
 - (e) through (g), see enclosure 1

1. PURPOSE

This Instruction implements policies, assigns responsibilities, and prescribes procedures under references (a), (b), (c), and (d) to authorize medical and dental care for members of the Reserve components who incur or aggravate an injury, illness, or disease in the line of duty and provide pay and allowances to those members while being treated for or recovering from a Service-connected injury, illness, or disease, or who demonstrate a loss of earned income as a result of an injury, illness, or disease incurred or aggravated in the line of duty.

2. APPLICABILITY

This Instruction applies to the Office of the Secretary of Defense, the Military Departments (including the Coast Guard when it is not operating as a Military Service in the Navy by agreement with the Department of Transportation), the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, DoD Field Activities, and all other

organizational entities in the Department of Defense (hereafter referred to collectively as "the DoD Components").

3. DEFINITIONS

Terms used in this Instruction are defined in enclosure 2.

4. POLICY

It is DoD policy to:

4.1. Provide medical and dental care to Reserve component members for an injury, illness, or disease incurred or aggravated in the line of duty, and to authorize physical examinations to determine fitness for duty or disability processing.

4.2. Provide the Secretary concerned with the authority to order Reserve component members to active duty or continue Reserve component members on active duty while being treated for or recovering from an injury, illness, or disease incurred or aggravated in the line of duty.

4.3. Authorize pay and allowances, to the extent permitted by law, for Reserve component members who are not medically qualified to perform military duties, as determined by the Secretary concerned, because of an injury, illness, or disease incurred or aggravated in the line of duty, or to provide pay and allowances to Reserve component members who are fit to perform military duties but experiences a loss of earned income because of an injury, illness, or disease incurred or aggravated in the line of duty.

5. RESPONSIBILITIES

5.1. The Assistant Secretary of Defense (Reserve Affairs), under the Under Secretary of Defense for Personnel and Readiness, and in coordination with the Assistant Secretary of Defense (Force Management Policy) and the Assistant Secretary of Defense (Health Affairs), shall be responsible for oversight of the Reserve component incapacitation system.

5.2. The Secretaries of the Military Departments and the Commandant of the Coast Guard shall:

5.2.1. Establish funding policies and procedures for pay and allowances authorized under 37 U.S.C. 204(g) and 204(h) (reference (c)) as implemented by paragraph 6.2., below; and, for members ordered to active duty or continued on active duty for health-related reasons, as provided in paragraph 6.6., below.

5.2.2. Budget sufficient amounts in the National Guard and Reserve personnel appropriation for pay and allowances authorized under 37 U.S.C. 204(g) and 204(h) (reference (c)) as implemented by paragraph 6.2., below; and for members ordered to active duty or continued on active duty to be treated for or recovering from an injury, illness, or disease incurred or aggravated in the line of duty, as provided in paragraph 6.6., below.

5.2.3. Develop a system to track Reserve component members who are incapacitated. The tracking system shall include, at a minimum: the date when the injury, illness, or disease was incurred or aggravated; the type of injury, illness, or disease; the date when pay and allowances commenced (if not continued on active duty); and the applicable rule under table 57-3 of DoD 7000.14-R, Volume 7A (reference (d)), which authorizes such pay.

5.2.4. Ensure military treatment facility commanders assign and train a manager for cases involving Reserve component members who are not on active duty but require healthcare at that facility for an injury, illness, or disease incurred or aggravated in the line of duty.

5.2.5. For Reserve component members being treated at other than a military medical/dental treatment facility, assign and train a manager at the appropriate command level to ensure such members receive required healthcare in a timely manner for an injury, illness, or disease incurred or aggravated in the line of duty.

5.2.6. Ensure procedures are in place for timely payment of pay and allowances as authorized under Section 204(g) or 204(h) of reference (c) and Volume 7A of reference (d). That pay should commence not later than 30 days after the illness, injury, or disease was incurred or aggravated, and shall continue without interruption until terminated under subparagraph 6.3.3., below.

5.2.7. Review each case in which the member is projected to remain incapacitated for more than 6 months to determine if it is in the interest of fairness and equity to continue benefits paid under Section 204(g) or 204(h) of reference (c) and to

determine if the case should be referred to the Disability Evaluation System. Such a review shall be made every 6 months.

5.2.8. Establish procedures to ensure that:

5.2.8.1. Pay and allowances are not terminated due to administrative oversight.

5.2.8.2. Medical treatment for an injury, illness, or disease incurred or aggravated in the line of duty is not delayed because of administrative requirements.

5.2.8.3. Cases that warrant processing through the Disability Evaluation System are referred for processing without delay.

5.2.8.4. Pay and allowances do not continue under this Instruction after the member has been found fit for duty, except as provided in subparagraph 6.2.1.2.1., below, or the member has been separated or retired.

5.2.9. Promulgate regulations to implement the policies and procedures prescribed in this Instruction.

6. PROCEDURES

6.1. Healthcare Entitlement

6.1.1. A member who incurs or aggravates an injury, illness, or disease in the line of duty is entitled to medical and/or dental treatment as authorized under 10 U.S.C. 1074 or 1074a (reference (b)) in an approved medical treatment facility as provided under Section 1074 of reference (b) until terminated under subparagraph 6.3.3., below.

6.1.2. Nothing in this Instruction shall be construed to prevent emergency medical treatment at a medical treatment facility for a Reserve component member performing in a duty status as provided in DoD Directive 1215.6 (reference (g)). A Reserve component member presenting himself or herself for emergency treatment at a military treatment facility after termination of military duty, stating that the emergent condition is related to an injury, illness, or disease incurred or aggravated as a result of a period of duty, shall be examined and provided necessary medical care. The circumstances surrounding the emergency condition will be resolved after the emergency has been stabilized.

6.2. Pay and Allowances Entitlement

6.2.1. A member of the Reserve component who incurs or aggravates an injury, illness, or disease in the line of duty is entitled to pay and allowances, and travel and transportation incident to medical and/or dental care, in accordance with 37 U.S.C. 204 and 206, and DoD 7000.14-R, Volume 7A (references (c) and (d)). The amount of pay and allowance authorized for the member is determined in accordance with table 57-3 of reference (d).

6.2.1.1. Member Unable to Perform Military Duties

6.2.1.1.1. A Reserve component member who is unable to perform military duties, as determined by the Secretary concerned, due to an injury, illness, or disease incurred or aggravated in the line of duty is entitled to full pay and allowances, including all incentive and special pays to which entitled, if otherwise eligible, less any earned income as provided under 37 U.S.C. 204(g) (reference (c)) and DoD 7000.14-R, Volume 7A (reference (d)). This has been commonly referred to as incapacitation pay.

6.2.1.1.2. A member authorized pay and allowances under Section 204(g) of reference (c) shall not be allowed to attend inactive duty training periods or to acquire retirement points for performing inactive duty training. However, a member may earn retirement points in order to satisfy the requirements for a qualifying year of service by completing correspondence courses approved by the Secretary concerned.

6.2.1.2. Member Able to Perform Military Duties

6.2.1.2.1. A Reserve component member who is able to perform military duties, as determined by the Secretary concerned, but demonstrates a loss of earned income as a result of an injury, illness, or disease incurred or aggravated in the line of duty is entitled to pay and allowances, including all incentive and special pay to which entitled, if otherwise eligible, but not to exceed the amount of the demonstrated loss of earned income or the amount equal to that specified in subparagraph 6.2.2., below, whichever is less.

6.2.1.2.2. The Assistant Secretary of Defense for Reserve Affairs shall be provided a copy of the approval notice for payment of pay and allowances in excess of 24 months under this subparagraph.

6.2.2. Maximum Pay Entitlement. The total amount of pay and allowances authorized under Sections 204(g) or 204(h) of reference (c) and compensation under Section 206(a) of reference (c) for a member who is entitled to such pay shall not

exceed the amount of pay and allowances provided by law or regulation for a member of a Regular component of a Uniformed Service of corresponding grade and length of service for that period as provided in Section 204(i) of reference (c).

6.3. Duration of Entitlements

6.3.1. Healthcare. Medical and dental care authorized under this Instruction shall be provided until the member is found fit for military duty, or the injury, illness, or disease cannot be materially improved by further hospitalization or treatment and the member has been separated or retired as the result of a Disability Evaluation System determination as provided in DoD Directive 1332.18 and DoD Instruction 1332.38 (references (e) and (f)).

6.3.2. Pay and Allowances. Pay and allowances under this Instruction shall be paid only during the period a member remains not fit for military duty or demonstrates a loss of earned income as a result of an injury, illness, or disease incurred or aggravated in the line of duty. Payment in any particular case may not be made for more than 6 months without review of the case by the Secretary concerned to ensure that continuation of military pay and allowances is warranted under this Instruction, and to determine whether the member should be referred to the Disability Evaluation System. Such a review shall be made every 6 months.

6.3.2.1. A member who remains not fit to perform military duty 1 year after the initial date when the injury, illness, or disease was first incurred or aggravated shall be referred to the Disability Evaluation System if the member is not projected to be fit for duty within the next 6 months. Enclosure 3, Part 1 (E3.P1.6.1.) of reference (f) prescribes the standard for referring a case to the Disability Evaluation System.

6.3.2.2. In making the determination whether pay and allowances should continue beyond the initial 6 months in the case of a member described in subparagraph 6.2.1.2.1., above, the Secretary concerned shall consider if the member has resumed his or her civilian occupation, undertaken a new position in the same occupation, or taken a position in a new occupation. These factors are to help guide the Secretary in determining if it is in the interest of fairness and equity to continue benefits under 37 U.S.C. 204(h) (reference (c)).

6.3.3. Termination of Entitlements. The member's entitlement to healthcare and pay and allowances under this Instruction shall terminate on the date that one of the following actions occurs:

6.3.3.1. The member is found fit for duty, except in the case of a member covered under subparagraph 6.2.1.2.1., above.

6.3.3.2. The member no longer demonstrates a loss of earned income in the case of a member covered under subparagraphs 6.2.1.2.1., above, unless subparagraph 6.3.3.3. or 6.3.3.4., below, applies.

6.3.3.3. The member is separated or retired.

6.3.3.4. The Secretary concerned determines that it is no longer in the interest of fairness and equity to continue pay and allowances under 37 U.S.C. 204(g) or 204(h) (reference (c)).

6.4. Line of Duty Determination

6.4.1. Entitlement Prior to Line of Duty Determination. A Reserve component member who incurs or aggravates an injury, illness, or disease while in a duty status described in DoD Directive 1215.6 (reference (g)) is authorized medical/dental treatment under 10 U.S.C. 1074 or 1074a (reference (b)), as applicable, and pay and allowances as provided under Sections 204(g) or (h) of reference (c) while the line of duty determination is being conducted. The line of duty findings will determine eligibility for continued medical/dental care, and pay and allowances.

6.4.2. Interim Line of Duty Determination. Under regulations prescribed by the Secretary concerned, an appropriate approving authority shall issue an interim line of duty determination in sufficient time to ensure that pay and allowances will commence within 30 days of the date that the injury, illness, or disease was reported, unless there is clear and convincing evidence that the injury, illness, or disease was not incurred or aggravated in a duty status described in DoD Directive 1215.6 (reference (g)) and not covered under Sections 1074 or 1074a of reference (b) or Sections 204(g) or 204(h) of reference (c), or was due to gross negligence or misconduct of the member.

6.4.3. Final Line of Duty Determination

6.4.3.1. An approving authority, as designated by the Secretary concerned, shall make a determination as to whether an injury, illness, or disease was incurred or aggravated while performing duty in a status described in DoD Directive 1215.6 (reference (g)) and covered under Sections 1074 or 1074a of reference (b) or Sections 204(g) or 204(h) of reference (c), and whether the injury, illness, or disease was the result of gross negligence or misconduct of the member.

6.4.3.2. Should the approving authority find that the injury, illness, or disease was not incurred or aggravated in an authorized duty status or was the result of gross negligence or misconduct of the member, the Secretary concerned shall take action to immediately terminate healthcare and pay and allowances that are being provided to the member. The Secretary concerned may also take action to recoup pay and allowances paid to the member to which the member was not entitled based on the determination that the injury, illness, or disease was not incurred or aggravated in the line of duty.

6.4.4. Appeal of Final Determination Decision. A Reserve component member whose injury, illness, or disease was determined not to be in the line of duty may appeal the denial of a final line of duty determination to an appellate review authority designated by the Secretary concerned, in accordance with regulations prescribed by the Secretary concerned. Should the line of duty determination be reversed as a result of this review, the member's eligibility to healthcare, as provided in paragraph 6.1., above, shall be reinstated immediately and pay and allowances as provided under paragraph 6.2., above, shall be reinstated with payment effective from the date such pay was terminated.

6.5. Early Release from Active Duty Restrictions. A member on a call or order to active duty specifying a period of 30 days or less who incurs or aggravates an injury, illness, or disease shall not have his or her orders terminated solely because of the injury, illness, or disease, unless requested by the member. Upon release from active duty, the member is entitled to benefits provided by this Instruction.

6.6. Authority to Order a Reserve Component Member to Active Duty or Continue the Member on Active Duty to Receive Authorized Healthcare

6.6.1. Medical Evaluation and Other Purposes. A Reserve component member may be ordered to active duty, with the consent of the member, under 10 U.S.C. 12301(h) (reference (b)) when authorized by the Secretary concerned and, in the case of a member of the National Guard, with the consent of the Governor or other appropriate authority of the State concerned, to receive authorized medical care, to be medically evaluated for a disability or other medical purposes as determined by the Secretary concerned, or to complete a required DoD health study, which may include an associated medical evaluation of the member. A Reserve component member may also be retained on active duty under Section 12301(h) of reference (b), as determined by the Secretary concerned, for medical treatment associated with the study or evaluation, if the treatment of the member is otherwise authorized by law.

6.6.2. Injury, Illness, or Disease Incurred or Aggravated While Performing Inactive Duty or on Active Duty for less than 31 Days

6.6.2.1. A Reserve component member may be ordered to active duty (for a period of more than 30 days, if required) while the member is being treated for, or recovering from, an injury, illness, or disease incurred or aggravated in the line of duty while performing inactive duty training or funeral honors duty as authorized by Section 12322 of reference (b).

6.6.2.2. A Reserve component member on active duty for a period of 30 days or less may be continued on active duty while the member is being treated for, or recovering from, an injury, illness, or disease incurred or aggravated in the line of duty as authorized by 10 U.S.C. 12322 (reference (b)).

6.6.3. Active Duty for More Than 30 Days

6.6.3.1. A Reserve component member who has been ordered to active duty under subparagraph 6.6.1. or subparagraph 6.6.2.1., above, or has been continued on active duty under subparagraph 6.6.1. or subparagraph 6.6.2.2., above, so as to result in a continuous period of active duty of more than 30 days, is entitled to medical and dental care on the same basis and to the same extent as a member covered under Section 1074(a) of reference (b).

6.6.3.2. A Reserve component member on active duty under a call or order to active duty specifying a period of 31 days or more, who incurs or aggravates an injury, illness, or disease in the line of duty shall, with the member's consent, be continued on active duty upon the expiration of call or order to active duty until the member is determined fit for duty or the member is separated or retired as a result of a Disability Evaluation System determination.

6.6.3.3. A member on a call or order to active duty specifying a period of 31 days or more, who would otherwise be continued on active duty at the expiration of the orders because of an injury, illness, or disease incurred or aggravated in the line of duty, but who elects to leave active duty, shall be entitled to medical and dental care for the Service-connected medical or dental condition at an authorized medical treatment facility in accordance with Section 1074a of reference (b) upon release from active duty until benefits are terminated under subparagraph 6.3.3., above. The member shall also be entitled to pay and allowances under 37 U.S.C. 204(g) or 204(h) (reference (c)) upon release from active duty until benefits are terminated under subparagraph 6.3.3., above.

6.6.4. Medical and Dental Care for Dependents. The dependents of a Reserve component member who has been ordered to or continued on active duty so as to result in a period of active duty of more than 30 days as provided in subparagraph 6.6.3., above, are entitled to medical and dental care under Section 1076(a)(2)(D) of reference (b).

7. EFFECTIVE DATE

This Instruction is effective immediately.


Charles L. Cragin
Acting Assistant Secretary of Defense
for Reserve Affairs

Enclosures - 2

- E1. References, continued
- E2. Definitions

E1. ENCLOSURE 1

REFERENCES, continued

- (e) [DoD Directive 1332.18](#), "Separation or Retirement for Physical Disability,"
November 4, 1996
- (f) [DoD Instruction 1332.38](#), "Physical Disability Evaluation," November 14, 1996
- (g) [DoD Directive 1215.6](#), "Uniform Reserve, Training and Retirement Categories,"
March 14, 1997

E2. ENCLOSURE 2

DEFINITIONS

E2.1.1. Aggravated. The worsening of a pre-existing medical condition over and above the natural progression of the condition as a direct result of military duty.

E2.1.2. Duty Status. For purposes of this Instruction: A member is considered to be in a duty status during any period of active duty, funeral honors duty, or inactive duty training; while traveling directly to or from the place at which funeral honors duty or inactive duty is performed; while remaining overnight immediately before the commencement of inactive duty training or between successive periods of inactive duty training, at or in the vicinity of the site of the inactive duty training, if the site is outside reasonable commuting distance of the member's residence; and while remaining overnight at or in the vicinity of the place the funeral honors duty is to be performed immediately before serving such duty, if the place is outside of a reasonable commuting distance from the member's residence.

E2.1.3. Earned Income. Income from nonmilitary employment, including self-employment. This includes normal wages, salaries, professional fees, tips, or other compensation for personal services actually rendered, as well as income from income protection plans, vacation pays, and sick leave that the member elects to receive. It does not include rents, royalties, retirement pays, dividends or interest, welfare payments, or other nontaxable Government benefits.

E2.1.4. Incapacitation. Physical disability due to injury, illness, or disease that prevents the performance of military duties as determined by the Secretary concerned, or which prevents the member from returning to the civilian occupation in which the member was engaged at the time the injury, illness, or disease was incurred or aggravated.

E2.1.5. Incurred. To occur as a result of or during military duty.

E2.1.6. Interim Line of Duty. A preliminary in line of duty determination, unless there is clear and convincing evidence that the illness, injury, or disease was not incurred or aggravated while in a duty status, or was the result of gross negligence or misconduct of the member.

E2.1.7. Line of Duty (LOD). A findings after all available information has been reviewed that determines an injury, illness, or disease was incurred or aggravated while

in an authorized duty status and was not due to gross negligence or misconduct of the member.

E2.1.8. Secretary Concerned. The Secretary of the Army with respect to matters concerning the Army; the Secretary of the Navy with respect to matters concerning the Navy, the Marine Corps, and the Coast Guard when it is operating as a Service in the Department of the Navy; the Secretary of the Air Force with respect to matters concerning the Air Force; and the Secretary of Transportation with respect to matters concerning the Coast Guard when it is not operating as a Service in the Department of the Navy.

E2.1.9. Military Duty. The duties of a Service member's office and grade as determined by the Secretary concerned, and not necessarily the specialty skill or special qualification held by the member prior to incurring or aggravating an injury, illness, or disease in the line of duty.